

Message Text

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ORIGIN AGR-20

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TO AMEMBASSY MOSCOW

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E. O. 11652: N/ A

TAGS: ETRD EAGR US UR

SUBJECT: GRAIN SHIPMENTS

FROM AGRICULTURE

REF: TOSHU 20 (STATE 044847)

BEGIN SUMMARY. U. S. DEPT OF AGRICULTURE (USDA) HAS MET WITH
U. S. EXPORT FIRMS IN EFFORT TO SPEED GRAIN SHIPMENTS TO USSR.
TEMPORARY EXPORT FACILITIES HAVE BEEN APPROVED. EARLY OPEN-
ING OF ST. LAWRENCE SEAWAY SHOULD HELP EASE GULF COAST
CONGESTION. END SUMMARY.

1. USDA HAS TAKEN SEVERAL STEPS AIMED AT FACILITATING GRAIN
SHIPMENTS TO USSR, PARTICULARLY WHEAT SHIPMENTS. USDA HAS
APPROVED TEMPORARY EXPORT FACILITIES AT SEVERAL EAST COAST
PORTS. THESE FACILITIES NOT EXPECTED BE USED FOR WHEAT
SHIPMENTS TO USSR, BUT THEIR AVAILABILITY FOR GRAIN EXPORTS

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ELSEWHERE SHOULD HELP EASE PRESSURE AT GULF COAST PORTS
WHERE MOST WHEAT SHIPMENTS TO USSR BEING MADE.

2. USDA HAS ALSO CALLED TO WASHINGTON EACH OF SIX EXPORT
FIRMS WITH USSR CONTRACTS AND ASKED FOR EXPLANATION THEIR
PLANS FOR COMPLETING WHEAT SHIPMENTS BY TIME HARD RED WINTER
EXPORT PAYMENTS PERIOD EXPIRES MAY 31. USDA ALSO CALLED TO
WASHINGTON THE EXPORT MANAGER OF UNION EQUITY, A LARGE
FARMER MARKETING COOPERATIVE IN ENID, OKLAHOMA, FOR CON-
SULTATIONS REGARDING HOW WHEAT SHIPMENTS TO USSR MIGHT BE
SPEEDED. UNION EQUITY IS SUPPLYING LARGE SHARE OF WHEAT
BEING SHIPPED TO USSR BY EXPORT FIRMS.

3. USDA ESTIMATES 19.2 MILLION METRIC TONS OF U. S. GRAINS
AND SOYBEANS WERE SOLD TO USSR FOR DELIVERY IN 1972/73.
APPROXIMATELY TWO MILLION TONS OF THIS GRAIN (CORN) NOW
APPARENTLY SCHEDULED FOR DELIVERY IN EARLY 1973/74. ACTUAL
SHIPMENTS THROUGH MARCH 2 TOTALED 7.7 MILLION TONS INCLUDING
5.1 MILLION WHEAT, 1.9 MILLION CORN AND 0.7 MILLION SOYBEANS.
AS RESULT OF MEETINGS WITH EXPORT FIRMS, USDA CONCLUDED
1.0 TO 1.5 MILLION TONS OF WHEAT MIGHT REMAIN TO BE SHIPPED
WHEN SUBSIDY PERIOD EXPIRES MAY 31. USDA REGULATIONS
GOVERNING WHEAT EXPORT PAYMENTS INCLUDES SPECIAL PROVISIONS
UNDER WHICH PAYMENTS MAY STILL BE MADE IF SHIPMENTS DELAYED
FOR REASONS OUTSIDE CONTROL OF SELLER AND USDA INTENDS
APPLY THESE REGULATIONS IF NECESSARY WITH RESPECT TO WHEAT
SHIPMENTS TO USSR.

4. AFTER MEETINGS WITH EXPORT FIRMS, USDA CONCLUDED MAIN
REASONS FOR SHIPMENT DELAYS ARE (1) DELAY IN COMPLETING
MARITIME AGREEMENT, (2) UNUSUALLY BAD WEATHER THIS PAST FALL
AND WINTER WHICH SLOWED HARVEST AND HINDERED TRANSPORT
MOVEMENTS, (3) SHORTAGE OF RAIL CARS AND POWER TO MOVE
CARS, (4) STRONG DEMAND FROM OTHER COUNTRIES FOR U. S.
COMMODITIES AND (5) CONCENTRATION OF SOVIET WHEAT PURCHASES
IN ONE CLASS OF WHEAT (HARD RED WINTER).

5. ONE BRIGHT SPOT REGARDING SHIPMENTS TO USSR IS ST.
LAWRENCE SEAWAY SCHEDULED OPEN APRIL 1 OR 2 WHICH IS TEN
DAYS EARLIER THAN USUAL. THIS SHOULD HELP MOVE PRESSURE
AWAY FROM GULF PORTS AND ALSO RELIEVE SOME PRESSURE ON U. S.
INLAND TRANSPORTATION SINCE RAIL HAULS TO GREAT LAKES PORTS
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FROM CORN AND SOYBEAN AREA ARE SHORTER THAN TO GULF PORTS.

THIS SHORTENS TURN AROUND TIME FOR RAIL CARS. TRUCKS CAN
ALSO BE USED TO MOVE GRAINS TO LAKE PORTS.

6. ABOVE PREPARED IN USDA PRIOR TO REFTTEL BUT MAY PROVIDE
SUPPLEMENTAL INFORMATION. ROGERS

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